

CITY OF ROCHESTER, MINNESOTA
COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES
DECEMBER 31, 2002

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CITY OF ROCHESTER, MINNESOTA

NONMAJOR FUNDS

DECEMBER 31, 2002

SPECIAL REVENUE FUNDS

Library Fund:

The Library Fund was established in 1968 by Council resolution to account for all gifts, donations and contributions, all fees and such other monies collected from the operation of the Library and all taxes levied by the Common Council for Library purposes.

Municipal Recreation System Fund:

This fund was created by Council resolution, under the authority of City Charter Chapter XI to account for the activities of the Park and Recreation System.

Law Enforcement Block Grants Fund:

This fund was established in 1996, as required by the Department of Justice, to account for grant revenues and eligible expenditures.

Airport Operations Fund:

This fund was established in 1998 by Council resolution to account for the revenues and expenditures of the Rochester International Airport operations.

The F.E. Williams Estate Fund:

This fund was established to account for the gift of property made by Mr. Frank E. Williams to be used "for the acquiring of or the support of, or the maintenance of a playground or playgrounds, for children under 15 years of age."

Transit Fund: This fund was established to account for the financial resources received for the support of regular route, dial-a-ride and rideshare services.

Community Development Projects Fund:

This fund was established to account for the financial resources received under Title I of the Housing and Community Development Act of 1974.

DEBT SERVICE FUNDS

Sales Tax Revenue Bonds Fund:

These funds are used to account for the accumulation of resources (sales tax revenue) for payment of sales tax revenue general obligation improvement bonds and interest.

Tax Increment Bonds Fund:

These funds are used to account for the accumulation of resources (tax increment revenue) for payment of tax increment general obligation bonds and interest.

Airport Hangar Construction Notes Fund:

These funds are used to account for the accumulation of resources (hangar rental income) for payment of airport hangar construction notes.

CITY OF ROCHESTER, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2002

	Special Revenue				
	Library	Municipal Recreation System	Law Enforcement Block Grants	Airport Operations	F.E. Williams Estate
ASSETS					
Cash and cash equivalents	\$ 59,862	\$ 51,163	\$ 99,937	\$ 43,896	\$ 14,060
Investments	1,448,000	2,974,700		1,916,300	277,900
Accrued interest receivable	13,200	27,100		16,100	2,300
Accounts receivable (net of allowance for uncollectibles)	275	129,986		785,972	
Loans and notes receivable					
Taxes receivable delinquent	28,655	32,450		3,527	
Special assessments receivable delinquent		4,547			
Due from other funds		6,364			
Due from other governmental units	104,968	655,027		96,093	
Restricted cash	98,273				
Prepaid items	313				
TOTAL ASSETS	\$ 1,753,546	\$ 3,881,337	\$ 99,937	\$ 2,861,888	\$ 294,260
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 156,120	\$ 122,610	\$ 9,243	\$ 60,230	\$ 1,000
Deposits payable	6,816	262,328			
Accrued compensation and payroll taxes	164,170	224,075			
Accrued compensated absences	15,450	40,686			
Due to other funds	10,437	115,515		28,930	
Due to other governmental units	12,713	164,871	416	310	32
Advances from other funds		1,803,927			
Deferred revenue	28,655	36,997		3,527	
Total Liabilities	394,361	2,771,009	9,659	92,997	1,032
Fund Balance:					
Reserved for restricted assets	98,273				
Reserved for prepaid items	313				
Reserved for debt service					
Reserved for encumbrances		31,163			
Unreserved:					
Designated for future compensated absences	325,701	700,087			
Designated for subsequent years' appropriations	240,380	74,519	90,278		
Undesignated	694,518	304,559		2,768,891	293,228
Total Fund Balance	1,359,185	1,110,328	90,278	2,768,891	293,228
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,753,546	\$ 3,881,337	\$ 99,937	\$ 2,861,888	\$ 294,260

Transit	Community Development Projects	Total	Debt Service			Total	Total Nonmajor Governmental Funds
			Sales Tax Revenue Bonds	Tax Increment Bonds	Airport Hangar Construction Notes		
\$	\$	\$ 268,918	\$ 2,606	\$ 1,075	\$	\$ 3,681	\$ 272,599
		6,616,900					6,616,900
		58,700					58,700
28,005		944,238					944,238
	2,869,773	2,869,773					2,869,773
		64,632					64,632
		4,547					4,547
		6,364					6,364
448,725	90,800	1,395,613					1,395,613
		98,273					98,273
		313					313
<u>\$ 476,730</u>	<u>\$ 2,960,573</u>	<u>\$12,328,271</u>	<u>\$ 2,606</u>	<u>\$ 1,075</u>	<u>\$</u>	<u>\$ 3,681</u>	<u>\$12,331,952</u>
\$ 111,722	\$ 57,333	\$ 518,258	\$	\$ 625	\$	\$ 625	\$ 518,883
	300	269,444					269,444
		388,245					388,245
		56,136					56,136
13,511	6,364	174,757					174,757
74,548	26,803	279,693					279,693
222,395		2,026,322					2,026,322
	2,869,773	2,938,952					2,938,952
<u>422,176</u>	<u>2,960,573</u>	<u>6,651,807</u>		625		625	<u>6,652,432</u>
		98,273					98,273
		313					313
			2,606	450		3,056	3,056
		31,163					31,163
		1,025,788					1,025,788
		405,177					405,177
54,554		4,115,750					4,115,750
<u>54,554</u>		<u>5,676,464</u>	<u>2,606</u>	<u>450</u>		<u>3,056</u>	<u>5,679,520</u>
<u>\$ 476,730</u>	<u>\$ 2,960,573</u>	<u>\$12,328,271</u>	<u>\$ 2,606</u>	<u>\$ 1,075</u>	<u>\$</u>	<u>\$ 3,681</u>	<u>\$12,331,952</u>

CITY OF ROCHESTER, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2002

	Special Revenue				
	Library	Municipal Recreation System	Law Enforcement Block Grants	Airport Operations	F.E. Williams Trust
REVENUES					
General property taxes	\$ 3,263,719	\$ 3,651,821	\$	\$ 404,298	\$
Tax increments					
Sales tax					
Intergovernmental revenues	1,065,607	423,622	50,013	212,859	
Charges for services	145,237	4,666,340		2,194,399	
Interest earnings	29,665	96,746	3,099	81,859	10,862
Net increase (decrease) in the fair value of investments	(2,800)	(7,600)		(5,900)	200
Miscellaneous revenues	48,081	72,615		18,000	10,140
Total Revenues	<u>4,549,509</u>	<u>8,903,544</u>	<u>53,112</u>	<u>2,905,515</u>	<u>21,202</u>
EXPENDITURES					
Culture	4,627,973				
Park and recreation		8,881,810			4,796
Public safety			73,903		
Airport operations				2,383,311	
Transit					
Economic development/tourism					
Debt service					
Total Expenditures	<u>4,627,973</u>	<u>8,881,810</u>	<u>73,903</u>	<u>2,383,311</u>	<u>4,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(78,464)</u>	<u>21,734</u>	<u>(20,791)</u>	<u>522,204</u>	<u>16,406</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		76,552	5,557		
Transfers out			(6,000)	(293,207)	
Total Other Financing Sources (Uses)		<u>76,552</u>	<u>(443)</u>	<u>(293,207)</u>	
Net change in fund balances	<u>(78,464)</u>	<u>98,286</u>	<u>(21,234)</u>	<u>228,997</u>	<u>16,406</u>
Fund Balances - beginning	<u>1,437,649</u>	<u>1,012,042</u>	<u>111,512</u>	<u>2,539,894</u>	<u>276,822</u>
Fund Balances - ending	<u>\$ 1,359,185</u>	<u>\$ 1,110,328</u>	<u>\$ 90,278</u>	<u>\$ 2,768,891</u>	<u>\$ 293,228</u>

Transit	Community Development Projects	Total	Debt Service				Total Nonmajor Governmental Funds
			Sales Tax Revenue Bonds	Tax Increment Bonds	Airport Hangar Construction Notes	Total	
\$	\$	\$7,319,838	\$	\$	\$	\$	\$ 7,319,838
				1,543,652		1,543,652	1,543,652
			1,452,826			1,452,826	1,452,826
1,898,851	788,538	4,439,490					4,439,490
89,054		7,095,030					7,095,030
980		223,211					223,211
		(16,100)					(16,100)
12,769	96,869	258,474					258,474
2,001,654	885,407	19,319,943	1,452,826	1,543,652		2,996,478	22,316,421
		4,627,973					4,627,973
		8,886,606					8,886,606
		73,903					73,903
		2,383,311					2,383,311
1,948,980		1,948,980					1,948,980
	685,002	685,002					685,002
			1,452,826	1,543,652	43,182	3,039,660	3,039,660
1,948,980	685,002	18,605,775	1,452,826	1,543,652	43,182	3,039,660	21,645,435
52,674	200,405	714,168			(43,182)	(43,182)	670,986
1,880		83,989			43,182	43,182	127,171
	(200,405)	(499,612)					(499,612)
1,880	(200,405)	(415,623)			43,182	43,182	(372,441)
54,554		298,545					298,545
		5,377,919	2,606	450		3,056	5,380,975
\$ 54,554	\$	\$5,676,464	\$ 2,606	\$ 450	\$	\$ 3,056	\$ 5,679,520

CITY OF ROCHESTER, MINNESOTA
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
General property taxes	\$3,595,054	\$3,265,704	\$3,263,719	\$ (1,985)
Intergovernmental	704,846	1,065,619	1,065,607	(12)
Charges for services	149,750	149,750	145,237	(4,513)
Interest earnings			29,665	29,665
Net (decrease) in the fair value of investments			(2,800)	(2,800)
Miscellaneous				
Contributions		36,449	36,449	
Other	350	351	11,632	11,281
Total Revenues	<u>4,450,000</u>	<u>4,517,873</u>	<u>4,549,509</u>	<u>31,636</u>
EXPENDITURES				
Public Library	4,379,245	4,473,024	4,471,455	1,569
Library - SELCO	70,755	119,328	51,043	68,285
Gifts appropriations		269,887	105,475	164,412
Total Expenditures	<u>4,450,000</u>	<u>4,862,239</u>	<u>4,627,973</u>	<u>234,266</u>
Net change in fund balances		(344,366)	(78,464)	265,902
Fund Balances - beginning	<u>1,437,649</u>	<u>1,437,649</u>	<u>1,437,649</u>	
Fund Balances - ending	<u>\$1,437,649</u>	<u>\$1,093,283</u>	<u>\$1,359,185</u>	<u>\$ 265,902</u>

CITY OF ROCHESTER, MINNESOTA
MUNICIPAL RECREATION SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
General property taxes	\$ 4,021,765	\$ 3,653,195	\$ 3,651,821	\$ (1,374)
Intergovernmental	25,557	422,196	423,622	1,426
Charges for services	4,478,678	4,598,867	4,666,340	67,473
Interest earnings		148,000	96,746	(51,254)
Net (decrease) in the fair value of investments			(7,600)	(7,600)
Miscellaneous				
Contributions		19,810	16,411	(3,399)
Other		55,489	56,204	715
Total Revenues	<u>8,526,000</u>	<u>8,897,557</u>	<u>8,903,544</u>	<u>5,987</u>
EXPENDITURES				
Administration	338,807	338,807	350,139	(11,332)
Recreation Department	505,576	505,876	526,446	(20,570)
Golf	1,304,234	1,312,756	1,250,165	62,591
Tennis Center	36,396	36,396	39,899	(3,503)
Volleyball Center	184,583	215,286	213,904	1,382
Swimming Pools	187,631	187,631	198,717	(11,086)
Graham Arenas	381,427	383,192	365,067	18,125
Park	2,646,715	2,683,104	2,571,451	111,653
Plummer House	47,634	47,634	46,769	865
Recreation Center	1,126,177	1,217,177	1,136,451	80,726
UCR Field House		34,189	123,556	(89,367)
Mayo Civic Center	1,888,820	1,999,502	2,059,246	(59,744)
Total Expenditures	<u>8,648,000</u>	<u>8,961,550</u>	<u>8,881,810</u>	<u>79,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(122,000)</u>	<u>(63,993)</u>	<u>21,734</u>	<u>85,727</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		76,552	76,552	
Transfers out	(30,000)	(30,000)		30,000
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>46,552</u>	<u>76,552</u>	<u>30,000</u>
Net change in fund balances	(152,000)	(17,441)	98,286	115,727
Fund Balances - beginning	<u>1,012,042</u>	<u>1,012,042</u>	<u>1,012,042</u>	
Fund Balances - ending	<u>\$ 860,042</u>	<u>\$ 994,601</u>	<u>\$ 1,110,328</u>	<u>\$ 115,727</u>

CITY OF ROCHESTER, MINNESOTA
LAW ENFORCEMENT BLOCK GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
REVENUES				
Intergovernmental	\$	\$	\$ 50,013	\$ 50,013
Interest earnings			3,099	3,099
Total Revenues			53,112	53,112
EXPENDITURES				
Law enforcement block grant IV		2,964	2,964	
Law enforcement block grant V		33,785	32,603	1,182
Law enforcement block grant VI		74,763	38,336	36,427
Law enforcement block grant VII		5,557		5,557
Total Expenditures		117,069	73,903	43,166
Excess (deficiency) of revenues over (under) expenditures		(117,069)	(20,791)	96,278
OTHER FINANCING SOURCES (USES)				
Transfers in		5,557	5,557	
Transfers out			(6,000)	(6,000)
Total Other Financing Sources (Uses)		5,557	(443)	(6,000)
Net change in fund balances		(111,512)	(21,234)	90,278
Fund Balances - beginning	111,512	111,512	111,512	
Fund Balances - ending	\$ 111,512	\$	\$ 90,278	\$ 90,278

CITY OF ROCHESTER, MINNESOTA
AIRPORT OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive (Negative)
REVENUES				
General property taxes	\$ 444,813	\$ 404,013	\$ 404,298	\$ 285
Intergovernmental	117,924	218,119	212,859	(5,260)
Charges for services	2,432,085	2,579,446	2,194,399	(385,047)
Interest earnings	62,500	62,500	81,859	19,359
Net (decrease) in the fair value of investments			(5,900)	(5,900)
Miscellaneous	48,100	66,100	18,000	(48,100)
Total Revenues	<u>3,105,422</u>	<u>3,330,178</u>	<u>2,905,515</u>	<u>(424,663)</u>
EXPENDITURES				
Airport operations	1,995,651	2,279,884	2,278,046	1,838
US customs operations	96,200	106,723	105,265	1,458
Total Expenditures	<u>2,091,851</u>	<u>2,386,607</u>	<u>2,383,311</u>	<u>3,296</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,013,571</u>	<u>943,571</u>	<u>522,204</u>	<u>(421,367)</u>
OTHER FINANCING (USES)				
Transfers out	<u>(293,207)</u>	<u>(293,207)</u>	<u>(293,207)</u>	
Net change in fund balances	720,364	650,364	228,997	(421,367)
Fund Balances - beginning	<u>2,539,894</u>	<u>2,539,894</u>	<u>2,539,894</u>	
Fund Balances - ending	<u>\$3,260,258</u>	<u>\$3,190,258</u>	<u>\$2,768,891</u>	<u>\$ (421,367)</u>

CITY OF ROCHESTER, MINNESOTA
F. E. WILLIAMS ESTATE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2002

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Interest earnings	\$ 8,000	\$ 8,000	\$ 10,862	\$ 2,862
Net increase in fair value of investments			200	200
Miscellaneous				
Contributions			500	500
Rental of real property	8,000	8,000	9,640	1,640
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>21,202</u>	<u>5,202</u>
EXPENDITURES				
Contractual services	20,000	20,500	1,830	18,670
Materials and supplies			2,966	(2,966)
Total Expenditures	<u>20,000</u>	<u>20,500</u>	<u>4,796</u>	<u>15,704</u>
Net change in fund balances	(4,000)	(4,500)	16,406	20,906
Fund Balances - beginning	<u>276,822</u>	<u>276,822</u>	<u>276,822</u>	
Fund Balances - ending	<u>\$ 272,822</u>	<u>\$ 272,322</u>	<u>\$ 293,228</u>	<u>\$ 20,906</u>

CITY OF ROCHESTER, MINNESOTA
TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive (Negative)</u>
REVENUES				
Intergovernmental revenues	\$ 1,760,371	\$ 2,067,559	\$ 1,898,851	\$ (168,708)
Charges for services			89,054	89,054
Interest earnings			980	980
Miscellaneous	7,500	20,524	12,769	(7,755)
Total Revenues	<u>1,767,871</u>	<u>2,088,083</u>	<u>2,001,654</u>	<u>(86,429)</u>
EXPENDITURES				
Contractual services	408,405	423,715	242,341	181,374
Materials and supplies	2,100	2,100	118	1,982
Other charges	1,664,396	1,664,396	1,706,521	(42,125)
Total Expenditures	<u>2,074,901</u>	<u>2,090,211</u>	<u>1,948,980</u>	<u>141,231</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(307,030)</u>	<u>(2,128)</u>	<u>52,674</u>	<u>54,802</u>
OTHER FINANCING SOURCES				
Transfers in			1,880	1,880
Net change in fund balances	(307,030)	(2,128)	54,554	56,682
Fund Balances - beginning				
Fund Balances - ending	<u>\$ (307,030)</u>	<u>\$ (2,128)</u>	<u>\$ 54,554</u>	<u>\$ 56,682</u>

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CITY OF ROCHESTER, MINNESOTA
COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES (CONTINUED)
INTERNAL SERVICE FUNDS
DECEMBER 31, 2002

Internal Service Funds are used to account for the financing of goods or services provided for various departments of the City on a cost-reimbursement basis. The accrual basis of accounting is used. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Equipment Revolving Fund:

This fund was created by Council resolution for the purchase and replacement of equipment. City departments pay rental charges to the Equipment Revolving Fund for equipment used in providing services.

Information Technology Revolving Fund:

This fund was established in 1998 to provide for the purchase and upgrading of computer equipment and base-system software; and maintenance of current computer hardware. User charges are assessed against City departments using the computer equipment.

Self-Insurance Fund:

This fund was established by Council resolution, under the authority of City Charter Chapter XI, to account for the City's self-insurance program which includes group life and health, workers' compensation and deductible property loss.

CITY OF ROCHESTER, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
December 31, 2002

	Equipment Revolving Fund	Information Technology Revolving Fund	Self- Insurance Fund	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 424,647	\$ 143,004	\$ 608,548	\$ 1,176,199
Investments	4,544,500	2,967,000	8,148,600	15,660,100
Accrued interest receivable	38,300	25,000	71,000	134,300
Due from other funds			758	758
Due from other governmental units		14,188		14,188
Total Current Assets	<u>5,007,447</u>	<u>3,149,192</u>	<u>8,828,906</u>	<u>16,985,545</u>
Noncurrent Assets:				
Capital assets:				
Machinery and equipment	16,015,688	521,735		16,537,423
Less: Accumulated depreciation	<u>(7,306,405)</u>	<u>(292,922)</u>		<u>(7,599,327)</u>
Total capital assets (net of accumulated depreciation)	<u>8,709,283</u>	<u>228,813</u>		<u>8,938,096</u>
Total Assets	<u>13,716,730</u>	<u>3,378,005</u>	<u>8,828,906</u>	<u>25,923,641</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	144			144
Deposits payable			518,253	518,253
Accrued compensation and payroll taxes			17,819	17,819
Due to other governmental units			1,105	1,105
Accrued claims			1,396,944	1,396,944
Total Current Liabilities	<u>144</u>		<u>1,934,121</u>	<u>1,934,265</u>
Noncurrent Liabilities:				
Accrued claims			877,000	877,000
Total Liabilities	<u>144</u>		<u>2,811,121</u>	<u>2,811,265</u>
NET ASSETS				
Invested in capital assets, net of related debt	8,709,283	228,813		8,938,096
Unrestricted	<u>5,007,303</u>	<u>3,149,192</u>	<u>6,017,785</u>	<u>14,174,280</u>
Total Net Assets	<u>\$13,716,586</u>	<u>\$ 3,378,005</u>	<u>\$ 6,017,785</u>	<u>\$23,112,376</u>

CITY OF ROCHESTER, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
For the Year Ended December 31, 2002

	Equipment Revolving Fund	Information Technology Revolving Fund	Self- Insurance Fund	Totals
Operating Revenues:				
Charges for Services:				
Equipment rental	\$ 1,562,755	\$ 115,819	\$	\$ 1,678,574
Copy center charges	41,610			41,610
Departmental workers' compensation charges			51,012	51,012
Departmental insurance charges			5,721,221	5,721,221
Departmental flex charges			18,858	18,858
Employee insurance charges			876,553	876,553
Employee flex benefit contributions			508,320	508,320
Total Operating Revenues	<u>1,604,365</u>	<u>115,819</u>	<u>7,175,964</u>	<u>8,896,148</u>
Operating Expenses:				
Copy center	14,465			14,465
Minor equipment		107,789		107,789
Workers' compensation benefits			205,044	205,044
Workers' compensation insurance premiums			48,015	48,015
Health insurance claims			6,799,865	6,799,865
Flex benefits			546,398	546,398
Other	964	3,866	343,954	348,784
Depreciation	1,569,340	188,975		1,758,315
Total Operating Expenses	<u>1,584,769</u>	<u>300,630</u>	<u>7,943,276</u>	<u>9,828,675</u>
Operating Income (Loss)	<u>19,596</u>	<u>(184,811)</u>	<u>(767,312)</u>	<u>(932,527)</u>
Nonoperating Revenues (Expenses):				
Interest earnings	186,425	115,324	341,311	643,060
Net (decrease) in the fair value of investments	(14,500)	(5,800)	(24,200)	(44,500)
(Loss) on disposal of property	(66,268)			(66,268)
Other income (expense)	12,295	(10,084)	400	2,611
Total Nonoperating Revenues (Expenses)	<u>117,952</u>	<u>99,440</u>	<u>317,511</u>	<u>534,903</u>
Income (Loss) Before Transfers	137,548	(85,371)	(449,801)	(397,624)
Transfers in	35,000	155,600		190,600
Transfers out		(70,026)		(70,026)
Change in Net Assets	172,548	203	(449,801)	(277,050)
Total Net Assets - beginning	<u>13,544,038</u>	<u>3,377,802</u>	<u>6,467,586</u>	<u>23,389,426</u>
Total Net Assets - ending	<u>\$13,716,586</u>	<u>\$ 3,378,005</u>	<u>\$ 6,017,785</u>	<u>\$23,112,376</u>

CITY OF ROCHESTER, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2002

	Equipment Revolving Fund	Information Technology Revolving Fund	Self- Insurance Fund	Total
Cash Flows From Operating Activities:				
Cash received from other City funds	\$ 1,604,365	\$ 101,631	\$ 5,790,333	\$ 7,496,329
Cash received from employees			1,384,873	1,384,873
Cash paid to suppliers	(15,462)	(132,908)	(8,107,735)	(8,256,105)
Net Cash Provided by (Used in) Operating Activities	<u>1,588,903</u>	<u>(31,277)</u>	<u>(932,529)</u>	<u>625,097</u>
Cash Flows From Noncapital Financing Activities:				
Transfers in		125,042		125,042
Transfers out		(70,026)		(70,026)
Net Cash Provided by Noncapital Financing Activities		<u>55,016</u>		<u>55,016</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from sale of property	63,587			63,587
Acquisition of capital assets	(2,049,844)	(23,612)		(2,073,456)
Other receipts (payments)	12,421	(10,084)	400	2,737
Net Cash Provided By (Used in) Capital and Related Financing Activities	<u>(1,973,836)</u>	<u>(33,696)</u>	<u>400</u>	<u>(2,007,132)</u>
Cash Flows From Investing Activities:				
Investment income	207,525	124,924	376,811	709,260
Net (increase) decrease in investments	162,709	(228,556)	295,200	229,353
Net Cash Provided By (Used In) Investing Activities	<u>370,234</u>	<u>(103,632)</u>	<u>672,011</u>	<u>938,613</u>
Net (Decrease) in Cash and Cash Equivalents	(14,699)	(113,589)	(260,118)	(388,406)
Cash and Cash Equivalents, Beginning of Year	<u>439,346</u>	<u>256,593</u>	<u>868,666</u>	<u>1,564,605</u>
Cash and Cash Equivalents, End of Year	<u>\$ 424,647</u>	<u>\$ 143,004</u>	<u>\$ 608,548</u>	<u>\$ 1,176,199</u>

CITY OF ROCHESTER, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
For the Year Ended December 31, 2002

Reconciliation of Operating Income to Net Cash
Provided by Operating Activities

	Equipment Revolving Fund	Information Technology Revolving Fund	Self- Insurance Fund	Total
Operating Income (Loss)	\$ 19,596	\$ (184,811)	\$ (767,312)	\$ (932,527)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	1,569,340	188,975		1,758,315
(Increase) Decrease In:				
Due from other funds			(758)	(758)
Due from other governmental units		(14,188)		(14,188)
Increase (Decrease) In:				
Accounts payable, operations	(33)		(8,928)	(8,961)
Deposits payable			(114,123)	(114,123)
Accrued compensation and payroll taxes			17,819	17,819
Due to other funds		(21,199)		(21,199)
Due to other governmental units		(54)	1,105	1,051
Accrued claims			(60,332)	(60,332)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,588,903</u>	<u>\$ (31,277)</u>	<u>\$ (932,529)</u>	<u>\$ 625,097</u>
Non Cash Transactions:				
Receipt of contributed property	\$ 35,000	\$ 30,558	\$	\$ 65,558
Decrease in fair value of investments	14,500	5,800	24,200	44,500

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